

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 11-K

☒ Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2004 or

☐ Transition report pursuant to Section 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number : 333-118202

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

BorgWarner Inc. Retirement Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

BorgWarner Inc.
3850 Hamlin Road
Auburn Hills, MI 48326



05059154

REQUIRED INFORMATION

ITEM 4.

Financial Statements as of December 31, 2004 and 2003 and for the Year Ended December 31, 2004 and Supplemental Schedule as of December 31, 2004 and Report of Independent Registered Public Accounting Firm

PROCESSED
JUL 13 2005
THOMSON
FINANCIAL

BorgWarner Inc.
Retirement Savings Plan

*Financial Statements as of
December 31, 2004 and 2003 and for the
Year Ended December 31, 2004 and
Supplemental Schedule as of
December 31, 2004 and
Report of Independent Registered Public
Accounting Firm*

BORGWARNER INC. RETIREMENT SAVINGS PLAN

TABLE OF CONTENTS

	Page
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	1
FINANCIAL STATEMENTS:	
Statements of Net Assets Available for Benefits as of December 31, 2004 and 2003	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2004	3
Notes to Financial Statements	4-8
SUPPLEMENTAL SCHEDULE:	
Form 5500, Schedule H, Part IV, Line 4i—Schedule of Assets (Held at End of Year) as of December 31, 2004	9

NOTE: All other schedules required by section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted due to the absence of conditions under which they are required.



Deloitte & Touche LLP
Suite 900
600 Renaissance Center
Detroit, MI 48243-1895
USA

Tel: +1 313 396 3000
Fax: +1 313 396 3618
www.deloitte.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BorgWarner Inc. Retirement Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the BorgWarner Inc. Retirement Savings Plan (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in net assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2004 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. Such supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

June 27, 2005

**BORGWARNER INC.
RETIREMENT SAVINGS PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2004 AND 2003
(In thousands)**

	2004	2003
ASSETS:		
Fund investments	\$ 539,438	\$ 487,740
Participant loans	<u>3,844</u>	<u>3,663</u>
Investments in master trust	543,282	491,403
Company contributions receivable	<u>434</u>	<u>436</u>
Total Assets	543,716	491,839
LIABILITIES		
Expense reimbursement amount due to Plan Sponsor	<u>86</u>	<u>0</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 543,630</u>	<u>\$ 491,839</u>

See notes to the financial statements.

BORGWARNER INC. RETIREMENT SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED DECEMBER 31, 2004 (In thousands)

ADDITIONS TO NET ASSETS:

Investment income from the Master Trust:

Net realized/unrealized appreciation in fair value of investments	\$ 44,124
Interest income	207
Dividend income	<u>10,887</u>

Total investment income 55,218

Contributions from participants	17,679
Contributions from the Company	16,206
Net transfers from other BorgWarner Inc. plans	<u>544</u>

Total additions 89,647

DEDUCTIONS FROM NET ASSETS:

Participants' withdrawals	37,660
Administrative expenses	<u>196</u>

Total deductions 37,856

NET INCREASE 51,791

NET ASSETS AVAILABLE FOR BENEFITS—Beginning of year 491,839

NET ASSETS AVAILABLE FOR BENEFITS—End of year \$ 543,630

See notes to the financial statements.

BORGWARNER INC. RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. DESCRIPTION OF PLAN

The following description of the BorgWarner Inc. Retirement Savings Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General—The Plan was established on January 27, 1993 and is a participating plan under the BorgWarner Inc. Retirement Savings Master Trust (the “Master Trust”). BorgWarner Inc. (the “Company” or the “Corporation”) is the sponsor of the Plan.

The Plan was established as a defined contribution plan under Section 401(a) of the Internal Revenue Code, designed to provide eligible employees of the Company with systematic savings and tax-advantaged long-term savings for retirement. The Company has assigned the Retirement Savings Plan Committee (the “Committee”) to oversee the Plan and the Master Trust. The Committee has appointed Putnam Investor Services, Inc. and Putnam Fiduciary Trust to perform the administrative, investment, and trustee services for the Plan and the Master Trust. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Eligibility—Employees of the Company, and employees of its divisions, subsidiaries, or affiliates that have adopted the Plan, subject to the consent of the Committee, are immediately eligible to start making employee contributions as of their date of hire.

Participants’ Accounts—Individual accounts are maintained for each Plan participant. The participants’ accounts consist of the following:

Company Retirement Account—The Company makes contributions to this account as a percentage of the participants’ compensation based on years of vested service on behalf of each eligible participant. No employee contributions are made to this account.

Employee Retirement Account—Participants may voluntarily contribute from one to three percent of their compensation to this account. New employees are automatically enrolled at three percent upon completion of 60 days of service, unless they elect not to participate or they elect a different percentage rate. The Company makes contributions equal to 100 percent of participants’ contributions.

Savings Account—Participants may voluntarily contribute from one to twenty-five percent of their compensation to this account, subject to certain Internal Revenue Code (“IRC”) limitations. Pretax deferrals into the Savings Account are limited to ten percent for highly compensated employees. No Company contributions are made to this account.

Retiree Health Account—Participants may voluntarily contribute from one to three percent of their compensation to this account, depending on their date of hire and when their facility adopted this

provision of the Plan. The Company makes contributions equal to 100 percent of participants' contributions to this account, limited to \$500 per year.

Investment Options—Participants elect to invest their Matched Contribution Account and Savings Account in one or more of the following funds of the Master Trust maintained by Putnam Fiduciary Trust, in addition to the Pending Account and Loan Fund, which are not fund elections available to participants:

Collective Trust Funds:

- Barclays Lifepath Retirement
- Barclays Lifepath 2010
- Barclays Lifepath 2020
- Barclays Lifepath 2030
- Barclays Lifepath 2040
- Barclays Mid Cap Equity Index Fund
- Barclays Russell 2000 Index Fund
- Barclays US Debt Index Fund
- Barclays Equity Index

Mutual Funds:

- One Group Mid Cap Value Fund
- The George Putnam Fund of Boston
- Putnam Voyager Fund
- Putnam Small Cap Value Fund
- Putnam OTC & Emerging Growth Fund
- Putnam Vista Fund
- Harbor International Fund

Investment Contracts Fund

BorgWarner Inc. Stock Fund.

The BorgWarner Inc. Stock Fund invests solely in the common stock of BorgWarner Inc. All purchases of BorgWarner Inc. stock are made on the open market.

Vesting—Fund assets attributable to voluntary participant contributions are fully vested at all times. Fund assets attributable to Company contributions vest (a) 100 percent upon completion of three years of vested service, or (b) upon permanent disability, death or attaining age 65 provided, however, that the participant is employed by the Company on that date.

Withdrawals—While participants are actively employed, no withdrawals may be made from the Company Retirement Account, the Employee Retirement Account, or the Retiree Health Account. Withdrawals may be made from the Savings Accounts at the participants' option subject to certain limitations. Upon termination of employment, participants may elect an immediate or future distribution of their vested account balances, as permitted by the Plan and by ERISA regulations.

Loans—Participants may borrow up to 50 percent of their Savings Account balance with a minimum of \$500 and a maximum of \$50,000 limited to a single loan outstanding at any time. Loan terms range from six months to five years, with interest charged at the rate established by the Trustee for similar loans on the origination date. Interest rates on loans outstanding as of December 31, 2004 range from 5 percent to 10.5 percent. No loans are permitted from the Company Retirement Account, the Employee Retirement Account, or the Retiree Health Account. Loans are secured by the remaining balance in the participant's Savings Account. Principal and interest is paid ratably through payroll deductions.

Priorities Upon Termination—Although the Company has not expressed any intent to discontinue the Plan, it has the right to do so at any time, subject to the provisions set forth in ERISA. In the event of termination, the interests of the affected participants shall become fully vested. The Plan assets then remaining shall be used to pay administrative expenses and benefits equal to the balance in the participants' accounts.

Payment of Benefits—Distribution of benefits is made upon retirement, death or other termination of employment. Participants may elect to receive distributions in the form of installments or a lump sum.

Forfeited Accounts—At December 31, 2004 and 2003, forfeited nonvested accounts totaled \$931,000 and \$839,000, respectively. These accounts will be used to reduce future employer contributions. During the year ended December 31, 2004, employer contributions were reduced by \$563,000 from forfeited nonvested accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The financial statements of the Plan are prepared under the accrual method of accounting and in accordance with accounting principles generally accepted in the United States of America.

Investments—The Investment Contracts Fund of the Master Trust is stated at cost plus interest earned to date (i.e., contract value) as reported by the Trustee. The contract value of the Investment Contracts Fund was \$145,415,000 and \$146,865,000 at December 31, 2004 and 2003, respectively, compared to the fair value of \$147,331,000 and \$153,376,000, respectively. The Investment Contracts Fund is fully benefit-responsive. The average yield for the Investment Contracts Fund was 5.1 percent for the year ended December 31, 2004. The crediting interest rate was 5.1 percent and 5.7 percent at December 31, 2004 and 2003, respectively. The Loan Fund is valued at cost plus accrued interest, which approximates fair value. Investments in all other funds of the Master Trust are stated at fair value, based on quoted market prices, as reported by the Trustee.

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits as of the date of the financial statements, and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates. The Plan utilizes various investment instruments, including mutual funds, collective trusts, and investment contracts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Administrative Expenses—Transfer taxes and brokerage expenses attributable to the Master Trust assets are charged to the applicable fund as a reduction of the return on that fund. Any other expenses incurred with respect to Master Trust income or property are charged to the accounts of the participants, where applicable, or are paid in such manner as the Company determines. Audit fees and bank fees are also included in Administrative Expenses.

Payment of Benefits—Benefits are recorded when paid. There were no amounts allocated to accounts of persons who had elected to withdraw from the Plan but had not yet been paid at December 31, 2004 and 2003.

Transfers—Along with the Plan, other entities of the Corporation sponsor defined contribution plans. When an employee transfers to any other BorgWarner entity covered by a different BorgWarner-sponsored plan during the year, that participant's account balance is transferred to the corresponding plan.

3. EXEMPT PARTIES-IN-INTEREST TRANSACTIONS

The Master Trust invests in BorgWarner Inc. common stock and makes loans to participants, which are permitted party-in-interest transactions. Certain Master Trust investments are shares of mutual funds and other investments managed by Putnam Fiduciary Trust Company. Putnam Fiduciary Trust Company is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to Putnam for administrative services amounted to \$38,000 for the year ended December 31, 2004, and are included in administrative expenses. Fees paid by the Plan to Putnam for investment management services were included as a reduction of return earned on each fund.

The costs and expenses incurred by the Trustee under the Plan and the fee charged by the Trustee shall be charged to the Plan. The Company shall have the right to be reimbursed each year from the Plan for the cost to the Company of bank fees and auditing fees.

As of December 31, 2004, there is a liability to the Company of \$86,000 for 2003 auditing fees paid by the Company during 2004 to be reimbursed in accordance with the Plan document. There are no amounts to be reimbursed to the Company as of December 31, 2004 for any prior periods.

4. TAX STATUS

The Plan obtained a favorable determination letter, dated May 9, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter; however, the Plan's management believes the Plan is currently designed and is being operated in accordance with the applicable rules and regulations of the Internal Revenue Code; therefore, no provision for income taxes has been made in the Plan's financial statements.

5. INVESTMENTS

The Plan's proportional interest in Master Trust investments which exceeded five percent of the Plan's net assets available for benefits as of December 31, 2004 and 2003 are as follows:

	2004	2003
	(In thousands)	
Investment Contracts Fund	\$ 110,609	\$ 112,798
George Putnam Fund of Boston	\$ 85,331	\$ 85,628
Putnam Voyager Fund	\$ 84,719	\$ 93,459
BorgWarner Inc. Stock Fund	\$ 78,872	\$ 51,656
Barclays Equity Index Fund	\$ 65,265	\$ 63,451

6. MASTER TRUST INFORMATION

Use of the Master Trust permits commingling of the trust assets of a number of defined contribution plans of the Company for investment and administrative purposes. Although assets are commingled in

the Master Trust, Putnam Fiduciary Trust maintains supporting records for the purpose of allocating the net gain (loss) of the investment account to the various participating plans.

At December 31, 2004 and 2003, the Master Trust consisted of the investments of five defined contribution plans sponsored by entities of the Corporation. The investments held by the Master Trust are valued at fair value at the end of each business day, with the exception of Investment Contracts valued at cost plus interest earned to date. The net gain (loss) in the Master Trust is allocated by the Trustee to each participating plan based on the relationship of the interest of each plan to the total of the interests of all participating plans.

At December 31, 2004 and 2003, the Plan's interest in the net assets of the Master Trust was approximately 71.91 percent and 72.18 percent, respectively.

The following tables present the carrying value of investments of the Master Trust as of December 31, 2004 and 2003 and the components of investment income for the Master Trust for the year ended December 31, 2004:

	December 31	
	2004	2003
	(in thousands)	
Carrying value of investments:		
Mutual funds	\$ 321,959	\$ 310,882
Collective trust funds	157,124	133,552
BorgWarner Inc. Stock Fund	124,340	83,149
Investment Contracts Fund	145,415	146,865
Loan Fund	6,163	5,826
Cash and cash equivalents	<u>518</u>	<u>543</u>
Total	<u>\$ 755,519</u>	<u>\$ 680,817</u>
	Year Ended	
	December 31, 2004	
	(in thousands)	
Investment income:		
Net realized/unrealized appreciation in fair value of investments:		
Mutual funds	\$	21,476
Collective trust funds		14,473
BorgWarner Inc. Stock Fund		<u>27,719</u>
Total net realized/unrealized depreciation		63,668
Interest income		334
Dividend income		<u>14,299</u>
Total	\$	<u>78,301</u>

BORGWARNER INC. RETIREMENT SAVINGS PLAN

SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2004

Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Current Value
* Putnam Fiduciary Trust Company	Investment in Master Trust	\$ 539,438
* Loans to participants	Loans to participants, interest rates ranging from 5.0% to 10.5%; maturities ranging from 6 months to 5 years	<u>3,844</u>
	Total investments	<u>\$ 543,282</u>

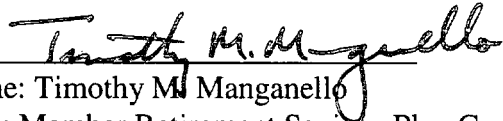
*Denotes party-in-interest.

* * * * *

Pursuant to the requirements of the Securities Exchange Act of 1934, the committee has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

BORGWARNER INC. RETIREMENT SAVINGS PLAN

Date: June 28, 2005

By: 

Name: Timothy M. Manganello

Title: Member Retirement Savings Plan Committee

By: _____

Name: Robin J. Adams

Title: Member Retirement Savings Plan Committee

By: _____

Name: Jeffrey L. Obermayer

Title: Member Retirement Savings Plan Committee

By: _____

Name: Angela D'Aversa

Title: Member Retirement Savings Plan Committee

By: _____

Name: Regis J. Trendera

Title: Member Retirement Savings Plan Committee

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BORGWARNER INC. RETIREMENT SAVINGS PLAN

Date: June 28, 2005

By: _____

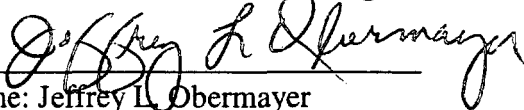
Name: Timothy M. Manganello

Title: Member Retirement Savings Plan Committee

By: 

Name: Robin J. Adams

Title: Member Retirement Savings Plan Committee

By: 

Name: Jeffrey L. Obermayer

Title: Member Retirement Savings Plan Committee

By: 

Name: Angela D'Aversa

Title: Member Retirement Savings Plan Committee

By: _____

Name: Regis J. Tenda

Title: Member Retirement Savings Plan Committee

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BORGWARNER INC. RETIREMENT SAVINGS PLAN

Date: June 28, 2005

By: _____
Name: Timothy M. Manganello
Title: Member Retirement Savings Plan Committee

By: _____
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Title: Member Retirement Savings Plan Committee

By: _____
Name: Jeffrey L. Obermayer
Title: Member Retirement Savings Plan Committee

By: _____
Name: Angela D'Aversa
Title: Member Retirement Savings Plan Committee

By: Regis J. Tenda
Name: Regis J. Tenda
Title: Member Retirement Savings Plan Committee

EXHIBIT INDEX

<u>EXHIBIT #</u>	<u>DESCRIPTION</u>
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23	Consent of Independent Registered Public Accounting Firm
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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-118202 on Form S-8 of BorgWarner Inc. of our report dated June 27, 2005, appearing in this Annual Report on Form 11-K of the BorgWarner Inc. Retirement Savings Plan for the year ended December 31, 2004.

Deloitte & Touche LLP

Detroit, Michigan

June 27, 2005